



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-046]

1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on 1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from the People's Republic of China (China) would be likely to lead to the continuation or recurrence of countervailable subsidies at the levels indicated in the "Final Results of Sunset Review" section of this notice.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Benito Ballesteros, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7425.

SUPPLEMENTARY INFORMATION:

Background

On May 18, 2017, Commerce published in the *Federal Register* the *Order* on HEDP from China.¹ On April 1, 2022, Commerce published the notice of initiation of the first sunset review of the *Order* on HEDP from China, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).² On April 15, 2022, Commerce received a timely notice of intent to

¹ See *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Countervailing Duty Order*, 82 FR 22809 (May 18, 2017) (*Order*).

² See *Initiation of Five-Year (Sunset) Reviews*, 87 FR 19069 (April 1, 2022).

participate from Compass Chemical International, LLC (Compass), *i.e.*, a domestic interested party.³ Compass claimed interested party status under section 771(9)(C) of the Act as a producer of the domestic like product in the United States.

On May 2, 2022, Commerce received a timely and adequate substantive response from Compass.⁴ We received no substantive responses from any other interested parties, including the Government of China, nor was a hearing requested. On May 24, 2022, Commerce notified the U.S. International Trade Commission that it did not receive an adequate substantive response from respondent interested parties.⁵ As a result, pursuant to 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order*.

Scope of the *Order*

The merchandise covered by the *Order* includes all grades of aqueous acidic (non-neutralized) concentrations of HEDP, also referred to as hydroxyethylidenediphosphonic acid, hydroxyethanediphosphonic acid, acetodiphosphonic acid, and etidronic acid. The Chemical Abstract Service (CAS) registry number for HEDP is 2809-21-4.

The merchandise subject to the *Order* is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2931.90.9043. It may also enter under HTSUS subheadings 2811.19.6090, 2931.90.9041, 2931.90.9051, 2811.19.6190, and 2931.39.0018.⁶ While HTSUS subheadings and the CAS registry number are provided for convenience and customs purposes only, the written description of the scope of the *Order* is dispositive.

Analysis of Comments Received

³ See Compass's Letter, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Notice of Intent to Participate," dated April 15, 2022.

⁴ See Compass's Letter, "1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Substantive Response to the Notice of Initiation," dated May 2, 2022.

⁵ See Commerce's Letter, "Sunset Reviews Initiated on April 1, 2022," dated May 24, 2022.

⁶ On September 24, 2020, U.S. Customs and Border Protection notified Commerce of additional HTSUS subheadings under which subject merchandise can be entered. Accordingly, the scope of the *Order* now reflects those additional HTSUS subheadings. See Memorandum, "Update to the ACE CVD Case Reference File," dated June 7, 2022.

All issues raised in this sunset review are addressed in the accompanying Issues and Decision Memorandum, which is dated concurrently with, and hereby adopted by, this notice.⁷ The issues discussed in the Issues and Decision Memorandum are listed in the appendix to this notice.

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to the continuation or recurrence of countervailable subsidies at the rates listed below:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Shandong Taihe Chemicals Co., Ltd. and Shandong Taihe Water Treatment Technologies Co., Ltd.	2.40
All Others	2.40
Changzhou Kewei Fine Chemicals Co., Ltd.	54.11
Hebei Longke Water Treatment Co., Ltd.	54.11
Shandong Huayou Chemistry Co., Ltd.	54.11
Shandong Xintai Water Treatment Technology	54.11
Zaozhuang Fuxing Water Treatment Technology	54.11
Zaozhuang YouBang Chemicals Co., Ltd.	54.11
Zouping Dongfang Chemical Industry Co., Ltd.	54.11

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their

⁷ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act, and 19 CFR 351.218.

Dated: July 11, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. History of the *Order*
- V. Legal Framework
- VI. Discussion of the Issues
 - 1. Likelihood of Continuation or Recurrence of Countervailable Subsidies
 - 2. Net Countervailable Subsidy Rates Likely to Prevail
 - 3. Nature of the Subsidies
- VII. Final Results of Sunset Review
- VIII. Recommendation

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